



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Authorizing City Manager to Execute Contract for Purchase and Installation of Energy Management System with Sole Supplier L & H Airco, of Roseville (\$137,000) and Execute Customer Support Agreement (CSA) for Maintenance of City Heating, Ventilation and Air Conditioning (HVAC) Systems at Multiple City Facilities with L & H Airco, of Roseville (\$14,255)

**MEETING DATE:** May 4, 2011

**PREPARED BY:** Public Works Director

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**RECOMMENDED ACTION:** Adopt resolution authorizing City Manager to execute contract for purchase and installation of energy management system with sole supplier L & H Airco, of Roseville (\$137,000) and execute customer support agreement (CSA) for maintenance of City heating, ventilation and air conditioning (HVAC) systems at multiple City facilities with L & H Airco, of Roseville (\$14,255).

**BACKGROUND INFORMATION:** The HVAC controls system in City Hall was installed during the remodel project of 1996, and operational problems have been experienced since installation. Parts are no longer available for the existing Novar controls system, and limitations with the HVAC design and controls have created office and work spaces that are not properly nor efficiently heated or cooled. The existing controls system needs to be replaced.

Funding for this project was included in the Fiscal Year 2010/11 budget as part of the one-time sales tax revenues from the Lodi Energy Center Project. Additional funding is provided by Electric Utility Public Benefits Fund related to the cost savings associated with the elimination of heating/cooling extremes resulting from the existing controls system.

Other recently constructed and/or remodeled City buildings (most notably the Police Facility, Fire Station No. 4, Lodi Multi-Modal Station, Library and Finance Department) are individually and centrally controlled by a digitally-controlled energy management system (EMS) manufactured by Alerton Technologies, Inc. The Alerton system is the only system that can be tied to our central EMS system and software. Staff recommends installing the Alerton EMS at City Hall for reasons including consistency of operations amongst multiple City facilities, staff's familiarity with parts and maintenance, and to leverage staffs previous training and operations experience. The Alerton EMS includes features that allow L & H Airco, the sole supplier of Alerton systems for northern California, to remotely monitor our systems for trouble shooting or problem solving.

It is recommended that a contract be awarded to L & H Airco, the sole supplier and maintenance firm for Alerton EMS equipment and software. The contract includes a standard L & H Airco form contract with Addendum No. 1 adding specific additional City contract provisions. The addendum includes an option to extend the contract for up to three additional years.

Following an engineering analysis of the existing system and in the course of selecting the new HVAC controls system for City Hall, it was determined the systems operation could be improved by modifying some ductwork and adding two additional thermostat controls. The contract cost for installing the new controls and modifying the existing ductwork is \$103,181, plus minor additional costs for plan preparation, plan check, and inspection.

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APPROVED:

Konradt Bartlam, City Manager

Adopt Resolution Authorizing City Manager to Execute Contract for Purchase and Installation of Energy Management System with Sole Supplier L & H Airco, of Roseville (\$137,000); Execute Customer Support Agreement (CSA) for Maintenance of City Heating, Ventilation and Air Conditioning (HVAC) Systems at Multiple City Facilities with L & H Airco, of Roseville (\$14,255)

May 4, 2011

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As mentioned above, improved system performance may be achieved by increasing the air volume moving through the building, which involves changing the blower and motor. Additional engineering inspection is required to determine if this is possible with the existing blower housing and duct work. In the interest of advancing the HVAC controls replacement project, a contingency contract authorization in the amount of \$33,819 is included to cover the additional work, including a limited mechanical engineering study and replacement of the blower and motor.

Whereas, Lodi Municipal Code Section 3.20.070 authorizes dispensing with bids for purchase of supplies, services or equipment when it is in the best interest of the City to do so, staff recommends that Council authorize the City Manager to execute a one-year CSA for maintenance of City HVAC systems at multiple City facilities, with options to renew, and to execute contracts for the purchase and installation of the Alerton EMS controls system and related modifications to City Hall with the local area manufacturer's representative, L & H Airco. The estimated total cost to purchase and install the EMS system and make related modifications to improve performance of the City Hall HVAC system is \$137,000.

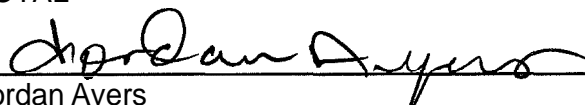
Staff recommends approval of a customer service agreement (CSA) in the amount of \$14,255 with L & H Airco that would cover the Lodi Police Facility (including San Joaquin County Court spaces), Fire Station No. 4, Lodi Multi-Modal Station, Library, and Civic Center (Carnegie Forum, City Hall, and Finance Department). The CSA provisions include a discounted labor rate of 15 to 25 percent below standard rates, guaranteed faster emergency response times for on-site technicians, discounts on parts, technical support and account management for the life of the contract.

The total project is estimated to cost \$166,255 and includes the City Hall HVAC controls replacement contract, annual customer support agreement, and the purchase and installation of equipment, air balancing, permit fees, construction administration, construction contingencies and other project-related expenses.

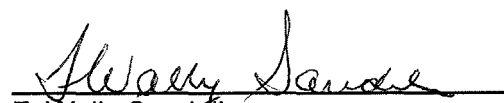
**FISCAL IMPACT:** Replacing the existing HVAC controls with state-of-the-art equipment and EMS will save operational and energy costs currently associated with the outdated, failing HVAC controls. Having the EMS provided and installed by the area manufacturer's representative will expedite the installation schedule.

Entering into a CSA with L & H Airco for all City facilities equipped with Alerton EMS will provide better management and maintenance of City HVAC systems.

|                           |   |                  |
|---------------------------|---|------------------|
| <b>FUNDING AVAILABLE:</b> | Facilities Services Operations (103511):  | \$14,255         |
|                           | Capital Outlay Fund, City Hall HVAC Controls Replacement Project (FY 10/11 Budget) (1211027): | \$105,000        |
|                           | Capital Outlay Fund, Contingency (1211027):   | \$9,000          |
|                           | Public Benefits Fund (164605):  | \$38,000         |
|                           | <b>TOTAL</b>  | <b>\$166,255</b> |

  
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Public Works Director

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4/20/2011

ADDENDUM NO. 1 TO CUSTOMER SUPPORT AGREEMENT

ENERGY MANAGEMENT SYSTEM (EMS) SUPPORT  
SERVICES FOR  
CITY OF LODI FACILITIES

THIS ADDENDUM NO. 1 TO THE CUSTOMER SUPPORT AGREEMENT (CSA), made and effective this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the CITY OF LODI, a municipal corporation, hereinafter called "Owner", and L & H AIRCO, hereinafter called "Contractor."

WITNESSETH:

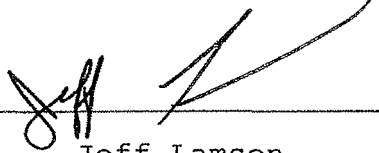
1. **AGREEMENT:** Contractor and Owner, entered into a Customer Support Agreement (CSA) for the provision of Energy Management System (EMS) support services for City of Lodi facilities on \_\_\_\_\_, 2011. Article 1.2 of the Terms and Conditions, providing that the CSA shall automatically renew for successive one (1) year periods, is hereby replaced by this Addendum providing that the CSA can be extended by mutual agreement of the parties.
2. **TERM AND TERMS:** The initial term shall be for a period of one (1) year, commencing on \_\_\_\_\_, 2011, and terminating \_\_\_\_\_, 2012. The CSA may be extended by mutual agreement of the parties, for up to an additional three one-year terms. All other terms and conditions will remain as set forth in the Customer Support Agreement for Energy Management System Support for City Facilities attached hereto as Exhibit A and made a part hereof as though fully set forth herein.
3. **INSURANCE:** The Contractor must meet and maintain all of the City of Lodi's insurance requirements for Property Damage, Public Liability, Automobile, and Worker's Compensation for the duration of the CSA.

IN WITNESS WHEREOF, Owner and Contractor have executed this Addendum No. 1 to Customer Support Agreement on \_\_\_\_\_, 2011.

CITY OF LODI, a municipal corporation  
hereinabove called "Owner"

L & H AIRCO,  
hereinabove called "Contractor"

\_\_\_\_\_  
KONRADT BARTLAM  
City Manager

\_\_\_\_\_  
  
Name: Jeff Lamson

Attest:

Title: Controller

\_\_\_\_\_  
RANDI JOHL, City Clerk

Approved as to Form:

\_\_\_\_\_  
D. STEPHEN SCHWABAUER, City Attorney

# EMS Support Agreement



**By and Between:**

**L&H Airco**

1376 Lead Hill Blvd., Suite 100  
Roseville, CA 95661

**Customer (known as):**

City of Lodi

**For Buildings:**

Lodi Police Facility  
Lodi Civic Center, (City Hall, Carnegie Forum, Finance Dept.)  
Lodi Fire Station #4  
Lodi Multi Modal Station  
Lodi City Library

**Term:**

Date: \_\_\_\_\_ to \_\_\_\_\_.

**Prepared By:**

**Kevin Bender**

**Customer Service Representative**

Date: 4/14/2011  
Ph#: (916) 259-6934  
Fax: (916) 677-1111  
Cell: (916) 997-0042

## L&H Airco Customer Support Agreement Worksheet

Following is a list of the Support Services we will perform to maximize the value of your investment in your Building Control System. Immediately following the list of Support Services, is a detailed description of each service. EMS support services provided by L&H Airco are backed by Factory certified training and each technician that supports your facility is a qualified product representative.

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### ☒ 1. General Services; Included in All Support Agreements

- *Dedicated Account Team*
  - ✓ *Account Manager*
  - ✓ *Primary & Secondary Service Technician*
- *Documentation of All Services Provided*
- *Quality Assurance Program*
- *Discounted Material & Labor Rates*

### ☒ 2. Technical Support: On-Line: Included in All Support Agreements

- *Troubleshooting and Diagnostics (During normal working Hrs)*

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### Dial-up Services

#### ☒ 3. Site Monitoring: On-line Monthly

- *Troubleshooting and Diagnostics*
- *Automatic Response by Technical Support Personnel*

#### ☐ 4. 24 Hr Alarm Monitoring

- *Initial Alarm set-up. # of alarms\_\_\_\_\_?*
- *Troubleshooting and Diagnostics*
- *Automatic Response by Technical Support Personnel*
- *Monthly Review and EMS System Report*

#### ☐ 5. Tenant Override Logging

- *Maintain and provide billing reports for all after hours Tenant activity.*

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### Quarterly On-Site Services:

#### ☒ 6. EMS Technology Updates

- *EMS Software Updates*

#### ☒ 7. Quarterly System Performance

- *Building Control System Database Protection*
- *Building Control System Analysis*
- *DDC Data Communication Performance Optimization*
- *Flex-Hours Support (anytime) \_\_\_\_\_*

#### ☐ 8. Central Equipment Performance Testing

- *Air Handler Performance Testing*
- *Chiller/Chilled Water System Performance Testing*
- *Boiler/Hot Water System Performance Testing*

#### ☐ 9. Air Quality Testing

- *Using state-of-the-art testing devices*
- *Record \_\_\_\_\_ # of spaces per quarter.*
- *Report prepared and delivered.*

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### Other Services:

#### ☒ 10. Customer Training

- *On-Site Informal Operator Training/Software Consultation*
- *L&H Formal Classroom Training*
- *Alerton Formal Classroom Factory Certified Training*



## 11. Emergency Response Services (Standard or Premium)

- *On-Line Response (Direct Connect or via Telephone)*
- *On-Site Response*

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## L&H Airco Customer Support Agreement Details

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### Included In all Support Agreements:

#### 1. General L&H Airco Customer Support Agreement Features

**Dedicated Account Team** - Your Account Manager will be responsible for your total service satisfaction. They will provide the designated services, monitor equipment performance, track equipment service history, and consult with you to meet your objectives. You will also be assigned a primary and a secondary Service Technician.

**Dedicated Service Team** - Our Service Team knows EMS systems. All of our service technicians are factory trained and are specialists in maintaining and troubleshooting your system.

**Documentation** - All service visits will be documented by a work order detailing the service performed, materials used, and hours spent.

**System and Service Log** – L&H Airco will provide you with a log for documentation of concerns, system problems, and other related items requiring our attention. Each scheduled service visit shall begin with a review of the log.

**Price Advantage- Discounted Labor and Material** - As a Support Agreement customer; you will receive a discount off the normal labor and equipment prices. Please note that manufacturer equipment prices are subject to change.

#### 2. Technical Support: On-Line

**Troubleshooting and Diagnostics Assistance (*normal working hours*)**. We will provide troubleshooting and diagnostics assistance via telephone, modem and/or Internet during normal working hours. You simply need to supply the necessary equipment to enable our local office to remotely log-on to your system via regular voice grade dial up phone line or Internet (voice grade phone line and/or internet access to be provided and maintained by the customer).

This includes the cost of all service that can be provided by remote access for the location specified. Services such as: scheduling, trendlog set-up techniques and usage, troubleshooting, question and answers about system performance, etc. We will sign-on to your system as a first step to troubleshoot an owner or owner representatives' request or inquiry. Our operations personnel will try to fix the problem or at a minimum scope the problem down to a specific item or group of items. The Technical Support representative will contact you when the sign-on is completed and conclusions have been reached. This service does not include after-hours support. For after hours support, please see the *Emergency Response Services* section below.

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### Dial-up Services:

#### 3. Daily or Weekly Site Monitoring: On-Line

Our personnel at L&H AIRCO will provide your facility with daily or weekly monitoring. Dial up the site on a daily and/or weekly basis to ensure that the system is functioning properly. The technical support representative will make a report to the customer of any problems that were found. We will look at each site and check for alarms, non-functioning controls, abnormal readings, or rooms that are not at designated temperatures. When we have determined the cause any problems or course of action, we will call and advise designated personal of the action needed to be taken. In many instances, we can solve the problem entirely or in some cases "Band-Aid" the system until a site visit can be made.

#### 4. 24HR Alarm Monitoring



Our dedicated Alarm Logging Pagers and E-mail PC's will be on call and waiting for your alarms 24 hours a day, everyday. We will most likely know about your alarms before you do. When you sign up we will come to your site and setup your system to dial out the alarms that you want us to know about and respond to. Our personnel will work directly with you to determine your exact needs. After receiving an alarm, we will dialup your system and troubleshoot the problem. When we have determined the cause of the problem, we will call and advise you of the action to be taken. In many instances we can either solve the problem entirely or "Band-Aid" the system until a site visit can be made. You will receive a written monthly report of your system which will detail alarms, logs and critical points as well as unusual activity or problems found.

## 5. Tenant Override Logging: On-Line

Alerton provides a Tenant Override Logging feature integrated into the software allowing the owner to view tenant override hours. This feature is a very useful tool for monthly tenant billing. Your L&H Airco Service representative will provide you with building override documentation each month for use in the billing of building Tenants for HVAC usage after normal working hours. The largest benefit tenant billing provides is that it keeps L&H Airco in touch with your building, allowing us to make changes to tenant information as changes occur, which helps maintain system accuracy as needed, rather than once every couple of years. Year round system accuracy for tenant billing is very important to insure you receive proper payment for any after hours HVAC usage and to maintain your tenant's confidence in the fact that the monthly billing they receive is valid and true. L&H Airco will do this by maintaining all tenant billing logs and data displays to list all current occupants. Monitor and record total override hours for each tenant. Provide via facsimile, detailed printouts of total override hours for each tenant, monthly.

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## Quarterly On-Site Services:

## 6. Technology Updates



EMS manufacturers periodically release software updates that provide added features, increase communications and processing speed for your Control System. L&H Airco will provide these updates as they become available, always keeping your system software state-of-the-art. Please note: This service includes updates to the Control System software only. No hardware, operating system or other 3<sup>rd</sup>-party software updates or upgrades are included with this service.

## 7. Quarterly System Performance: On-Site Services

**Building Control System Database Protection-** *EMS Workstation Database and Graphics backups* safeguard your HVAC Control System's vital databases of business information from unforeseen and costly catastrophic events (lightning strike, electrical power surge, flood, physical damage, etc.). We will back-up your HVAC Control System database, software and graphics a minimum of four (4) time(s) per year, and provide safe storage of this critical business information. Should a catastrophic event occur, we will respond onsite (or online if such service is included in this Agreement) to reload the databases and system files from our stored backup copy and to ensure proper operation and performance. *Repair costs and the costs to reload the databases and system file will be at the preferred material and labor rate stated below*

**Building Control System Analysis** - Your DDC control system is a very dynamic and interactive system. As such its operations, graphics and programming intentionally and unintentionally change over time. With Control System Analysis we will analyze the current status of your system's operations, graphics, & programming and compare them to the prior status report. We will then meet with you to discuss the changes and the effects of the changes on the operation of your Alerton building control system.

**DDC Data Communication Performance Analysis-** In order for all HVAC equipment in your facility to work seamlessly and quickly together you must know that the DDC data communication network is fully operational and its performance is optimal. We will analyze the physical condition of your DDC data network and the performance of the data communications. We will then meet with you to discuss the network condition & performance and make recommendations for improvement.

**Flex- Hours Support Services** - Flex-hours support, as you need it, whether it is online support from our office, or for an on-site visit from a service technician. Prepaying for these hours allows you to budget for emergency calls or special projects, and spread the payments on your terms. We will provide an agreed upon number hours of Flex-Hours Support per year.



## 8. Central Equipment Functional Performance Testing



**Air Handler Functional Performance Testing-** Using our software tools (receiver controller for IBEX, PID for BACTalk) we will analyze the performance of your HVAC air handling systems. This service is delivered two (2) times per year, Spring & Fall. During the spring service we will focus on the operation of the air handler cooling system control loops: outside air dampers, mixed air dampers, chilled water valve actuators, temperature sensors. During the fall service will focus on the operation of the air handler heating system control loops: outside air dampers, mixed air dampers, heating valve actuators, temperature sensors, water coil freeze-protection sensors and temperature alarms.

**Chiller/Chilled Water System Functional Performance Testing-** Reliable and Optimized performance of your chiller plant is critical to the operations of your facility. As part of this performance service one (1) time per year we will run an operational controls sequence to test the full range of the chiller and chilled water distribution system. We will analyze the chilled water supply temperatures at low and full-load conditions; verify temperature set point reset operations, chiller alarm interface to the DDC system, and the lead/lag operations of the chilled water system.

**Boiler/Hot Water System Functional Performance Testing-** Reliable and Optimized performance of your heating plant is also critical to the operations of your facility. As part of this performance service one (1) time per year we will run an operational controls sequence to test the full range of the boiler and hot water distribution system. We will analyze the hot water supply temperatures at low and full-fire conditions; verify temperature set point reset operations, boiler alarm interface to the DDC system, and the lead/lag operations of the hot water system.

**9. Air Quality Monitoring-** We now offer a scheduled program to monitor and evaluate key environmental parameters, including mold, within your building. We utilize an advanced state-of-the-art building performance evaluation system to bring you a cost effective method of understanding and documenting the dynamics of your building's environment. Our program is designed to maintain the highest quality indoor environment by regularly monitoring designated locations throughout your building. It is important to properly respond to indoor environmental issues. Before planning the necessary fixes to the problem, the problem must first be documented and analyzed. The final reports are designed to be comprehensive, easy to understand, and most importantly meaningful to those responsible for building operations. The Building Performance report summarizes all the data collected and graphs all measured parameters, and provides specific recommendations based on that data. Our technical staff will work with you using these reports to optimize the performance of your building. As part of your team, you can be confident we will work with you to maintain your building's indoor environment to a high standard.

## Other Services:

## 10. Customer Training



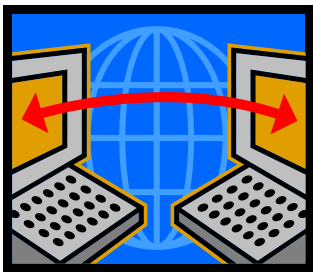
**L&H Airco Certified Classroom Training-** We provide classroom-format, training courses. The training courses are conducted at the L&H Airco training facility in Roseville. You can select from any of the training courses listed in the local training directory. Classes provided by our full- time Director of Training are tailored to your needs and your specific EMS system, but are classified in 3 standard categories:

- ☒ Basic Operator Training.....for\_\_1\_\_ People
- ☐ Advanced Operator Training....for\_\_\_\_ People
- ☐ Programmer Training.....for\_\_\_\_ People



- ☐ **Factory Certified Classroom Training-** These training classes are conducted at the Alerton Corporate training facility in Redmond, Washington. You can select from any of the training classes listed in the local training directory or on the Alerton Website..... for \_\_\_\_\_ People
- ☒ **On-Site Training/Operator Coaching-** Through our individual On-Site Training/Operator Coaching, we will introduce, review and reinforce skills, leading to greater utilization of HVAC Control System applications implemented in your facility. We will provide 16 hours per year of coaching for your facility staff, Monday through Friday 8:00 a.m. to 5:00 p.m. Our systems experts assist your operators in identifying, verifying and resolving problems found in executing tasks. During the training/coaching sessions, we can address logbook issues; assist your operators in becoming more self sufficient, and tailor HVAC Control System applications to the needs of your facility and to your operators' specific job responsibilities.

## 11. Emergency Response Services



**On-line Emergency Response** - To quickly respond to emergency service requests and to reduce the costs and disruptions of downtime we will use our Direct Connect technology and/or the telephone as our first action to a request for emergency response. You simply need to supply the necessary modem equipment to enable our local office to remotely log-on to your system via regular voice grade dial up phone line or Internet (voice grade phone line and/or internet access to be provided and maintained by the customer).

We will sign-on to your system as a first step to your request or inquiry. Our operations personnel will try to fix the problem or at a minimum scope the problem down to a specific

item or group of items. The operations group contacts you when the sign-on is completed and conclusions have been reached. Emergencies will be determined by your staff and L&H Airco.

- ☒ **Standard Emergency On-line Response Time (Included with all Customer Support Agreements)** - - within 2 business hours; Monday through Friday; 8:00 AM to 5:00PM, excluding holidays

Or

- ☐ **Premium Emergency On-line Response Time** – within 1 business hour; 24 hours/day, 7 days/week, including holidays

*Note: Our first action to a request for emergency response will be to attempt to resolve the situation on-line via direct-connect modem. There may be a one (1) hour minimum charged for each on-line service. If on-line diagnosis determines a site visit is required to complete troubleshooting and problem resolution procedures, we will be on-site based on the level of Emergency Onsite Response selected (described below).*

**On-site Emergency Response.** - If during our On-line Emergency response we are unable to resolve the situation we will dispatch a Service Engineer to your facility. Non-emergency calls, as determined by your staff and L&H Airco will be incorporated into the next scheduled service call.

- ☐ **Standard Emergency On-site Response Time (Included with all Customer Support Agreements)** - We will be on site by the end of the next business day; Monday through Friday; 8:00 AM to 5:00PM, excluding holidays

Or

- ☒ **Premium Emergency On-site Response Time** – We will be on site within four (4) hours, 24 hours/day, 7 days/week, including holidays (after the completion of the telephone and dial-up response).

*Note: Emergency Response Services listed above guarantee L&H Airco's response time to an emergency situation **only**. The use of on-line and/or on-site emergency service is not included in the scope of this contract and will be billed at the applicable time & material rates. The labor and material rates for 2010 are listed below. Prices are subject to change.*

**After-Hours Support:** Emergencies can and usually happen when you least expect it and many times on the weekends or after 5:00 PM. It is very important to L&H Airco to provide support in all emergency situations for all of our customers. We have available a 24-7 emergency office line. You can utilize this service in an after-hours emergency situation by calling **916-677-1010** and following the prompts. After receiving the call we will first attempt to solve the issue on-line as described in the *On-line Emergency Response* section of this



proposal. If the problem persists we will discuss it with you and upon your approval dispatch a service technician to your site.

As a Standard Emergency Response customer we do not guarantee the after-hours response time in an emergency situation. Any/all after-hours labor will be billed as listed in the *General L&H Airco Customer Support Agreement Features* section of this proposal.

## Labor Rates

|                     | <b>Standard Time<br/>&amp; Material Rate</b><br>(M-F 8 AM to 5 PM)<br>excl. Holidays | <b>Preferred Time<br/>&amp; Material Rate</b><br>(M-F 8 AM to 5 PM)<br>excl. Holidays | <b>Standard<br/>Overtime Rate</b><br>(M-F 5 PM to 8 AM, Sat,<br>Sun & Holidays) | <b>Preferred<br/>Overtime Rate</b><br>(M-F 5 PM to 8 AM, Sat, Sun<br>& Holidays) |
|---------------------|--|---|---|--|
| <b>Service Tech</b> | <b>\$ 105.00</b>   | <b>\$ 80.00</b>   | <b>\$ 135.00</b>  | <b>\$ 115.00</b>   |
| <b>Travel</b>       | <b>\$ 45.00</b>  | <b>\$ .00</b>   | <b>\$ 45.00</b>   | <b>\$ .00</b>  |

## Equipment Discount

You will receive a discount on all Alerton and Novar controls. For any Alerton components purchased from L&H Airco, you will receive a **60% off list price**. Novar components will receive **10% off list price**.

|                                       |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| On Line Monthly Monitoring            | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Tenant Override Logging               |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Technology Updates                    |   | X |   |   | X |   |   | X |   |   |   | X |   |
| Database Protection                   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Control System Analysis               |   | X |   |   | X |   |   | X |   |   |   | X |   |
| Communications Network Analysis       |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Central Equipment Performance Testing |   |   |   |   |   |   |   |   |   |   |   |   |   |
| Air Quality Testing                   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| On Site Training                      |   | X |   |   | X |   |   | X |   |   |   | X |   |
| Other                                 |   |   |   |   |   |   |   |   |   |   |   |   |   |

### Other Services:

|                                     |                             |                  |
|-------------------------------------|-----------------------------|------------------|
| <input checked="" type="checkbox"/> | Phone Technical Support     | As required      |
| <input checked="" type="checkbox"/> | Account Management          | Included         |
| <input checked="" type="checkbox"/> | Emergency Response Services | Included Premium |
| <input checked="" type="checkbox"/> | Material & Labor Discounts  | Included         |
| <input type="checkbox"/>            | 24 Hr Alarm Monitoring      | As required      |

☐

## Goals Summary

Your Operations Staff is responsible for critical equipment that is sensitive to temperature and other environmental influences. Your staff is experienced in all areas of HVAC and temperature controls and may not require a high level of support from vendors, but uses support plans to augment their current knowledge and protect their equipment investment over the long term.

The goals with this proposal:

1. Provide the Technical knowledge you need to maintain your building
2. Develop a regular maintenance relationship with you to promote automated operation of controls and maximum facility uptime

Contained in this proposal:

1. Wide range of L&H Airco Custom Service Plan Features (based on customer request and input)
2. Tentative Schedule of Services.



3. Support Plan Pricing Summary and terms and conditions.

## Support Plan Summary and Pricing

Included Custom Service Plan Features in this agreement as detailed in the previous section:

**Included in all agreements:**

- ☒ \_\_\_\_\_ General Services
- ☒ \_\_\_\_\_ Technical Support

**Dial- up Services:**

- ☒ \_\_\_\_\_ Monthly Site Monitoring
- ☐ \_\_\_\_\_ 24hr Alarm Monitoring
- ☐ \_\_\_\_\_ Tenant Override Logging

**Other:**

- ☒ \_\_\_\_\_ Standard Emergency Response
- ☒ \_\_\_\_\_ Premium Emergency Response

**Quarterly On-Site Services:**

- ☒ \_\_\_\_\_ EMS Updates minus Key Upgrade
- ☒ \_\_\_\_\_ System Performance
- ☐ \_\_\_\_\_ Central Equipment Performance Test
- ☐ \_\_\_\_\_ Air Quality Testing
- ☐ \_\_\_\_\_ Flex Hrs Support (anytime) \_\_\_\_\_ hrs

**Training:**

- ☒ \_\_\_\_\_ L&H Classroom Training \_\_\_\_\_ people
- ☐ \_\_\_\_\_ Alerton Factory Training \_\_\_\_\_ people
- ☒ \_\_\_\_\_ On-Site Operator Training \_\_\_\_\_ hrs

**By and Between:** L&H Airco  
1376 Lead Hill Blvd., Suite 100  
Roseville, CA 95661

**Customer (known as):** City of Lodi

**Term:** Date: \_\_\_\_\_ to \_\_\_\_\_.

Cancellation conditions are detailed in the "Terms and Conditions" section.

For these services, *Customer* agrees to pay **L&H AIRCO** the sum of Fourteen thousand two hundred and fifty five dollars for the year of 2011 through the year of 2012, upon presentation of a quarterly invoice of **\$3563.75**.

L&H Airco believes that this proposal includes the best interests of The City of Lodi's Buildings, and is based on your input. Please feel free to contact me if you have any changes. If accepted, sign and date below and return to L&H Airco with purchase order information. The other copy is for your records.

Presented by: \_\_\_\_\_Kevin Bender\_\_\_\_\_

Accepted by: \_\_\_\_\_

Title \_\_\_\_\_Customer Service Rep\_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_4.14.2011\_\_\_\_\_

Date \_\_\_\_\_

## L&H Airco

### TERMS AND CONDITIONS

The following terms and conditions are attached to and form an integral part of Sacramento Cooling Systems (referred to herein as "L&H Airco") Customer Support Agreement Proposal ("Proposal"). The portions of such Proposal relating to "Scope of Work" or any "Proposed Solution" (in either case, referred to herein as the "Proposed Solution"), together with these terms and conditions, are collectively referred to as the "CSA Agreement".

#### Article 1: General

1.1 a) The CSA Agreement, when accepted in writing by the Customer and approved by an authorized representative of L&H Airco shall constitute the entire, complete and exclusive agreement between the parties relating to a technical support program ("Services") for the equipment and software identified in the List of Equipment or the Service Coverage Report attached to the CSA Agreement ("Equipment") and shall supersede and cancel all prior agreements and understandings, written or oral, relating to the subject matter of the CSA Agreement. The CSA Agreement and any rights or obligations thereunder may not be assigned by either party without the advance written consent of the other.

(b) The terms and conditions of this CSA Agreement shall not be modified or rescinded except in writing, signed by a corporate officer of L&H Airco. L&H Airco's performance under this CSA Agreement is expressly conditioned on Customer's assenting to all of the terms of this CSA Agreement, notwithstanding any different or additional terms contained in any writing at any time submitted or to be submitted to L&H Airco by Customer relating to this subject matter.

c) The terms and conditions set forth herein shall supersede, govern and control any conflicting terms of the Proposed Solution or the Proposal.

1.2 This CSA Agreement shall automatically renew for successive one (1) year periods beginning on the anniversary date of the original term as set forth in the Proposal, unless stated otherwise in the CSA Agreement.

1.3 Either party may terminate or amend this CSA Agreement by giving the other party at least thirty (30) days prior written notice of such amendments or intent not to renew.

1.4 This CSA Agreement shall be governed by and enforced in accordance with the laws of the State of California.

1.5 Customer will at all times designate a contact person with authority to make decisions for Customer regarding the Services. Customer will provide L&H Airco with information sufficient to contact such person in an emergency. If such representative cannot be reached, any request for Service received from a person located at Customer's premises will be deemed authorized by Customer, and L&H Airco will, in its discretion, act accordingly.

1.6 L&H Airco will be permitted to control and/or operate all Equipment necessary to perform the Services.

#### Article 2: Equipment Testing, Inspection and Maintenance

2.1 The Customer represents that all Equipment is in satisfactory working condition. By the latter of the first thirty (30) days of this CSA Agreement or the first scheduled inspection, L&H Airco will have inspected all the Equipment.

2.2 If the Proposed Solution provides for maintenance, any repairs and replacements of Equipment are limited to restoring the proper working condition of such Equipment. L&H Airco will not be obligated to provide replacement Equipment that represents significant capital improvement compared to the original. Exchanged components become the property of L&H Airco.

#### Article 3: Charges, Fees and Invoices

3.1 Payments to be made under this CSA Agreement will provide for, and be in consideration of, only Services specifically included under the Proposed Solution. All other Services, including but not limited to the following, shall be separately billed or surcharged on a time and materials basis: (a) emergency Services performed at Customer's request, if inspection does not reveal any deficiency covered by this CSA Agreement; (b) Services performed other than during L&H Airco's normal working hours; and (c) Service performed on equipment not covered by this CSA Agreement.

3.2 Invoices are due upon receipt or otherwise as may be set forth therein. If any payment is not received when due, L&H Airco may deem Customer to be in breach hereof and may enforce any remedies available to it hereunder or at law, including without limitation suspension or termination of Services and acceleration of payments.

#### Article 4: Allocation of Risk

4.1 (a) Until one year from either the date hereof or the date the Equipment is installed, whichever first occurs, all equipment manufactured by L&H Airco or bearing its nameplate will be free from defects in material and workmanship arising from normal use and service. (b) Labor for all Services under this CSA Agreement is warranted for 90 days after the work is performed.

4.2 The limited warranties set forth in Section 4.1 will be void as to, and shall not apply to, any Equipment (i) repaired, altered or improperly installed by any person other than L&H Airco or its authorized representative; (ii) subjected to unreasonable or improper use or storage, used beyond rated conditions, operated other than per L&H Airco's or the manufacturer's instructions, or otherwise subjected to improper maintenance, negligence or accident; (iii) damaged because of any use of the Equipment after Customer has, or should have, knowledge of any defect in the Equipment; or (iv) not manufactured, fabricated and assembled by L&H Airco or not bearing L&H Airco's nameplate.

4.3 L&H Airco will indemnify Customer from and against losses, claims, expenses and damages (including reasonable attorney's fees) for personal injury or physical damage to property, but not loss of use of the property resulting from such damage or from damage to any work performed hereunder. Such indemnification shall be solely to the extent caused by or arising directly from L&H Airco's or its employees', consultants' or agents' negligent acts or omissions or willful misconduct in connection with its performance of Services hereunder. L&H Airco's obligations under this indemnity provision shall not extend to claims, losses, expenses and damages arising out of or in any way attributable to the negligence of Customer or its agents, consultants or employees other than L&H Airco.

#### Article 5: Customer Responsibilities

5.1 Customer will operate and maintain all Equipment in accordance with applicable manufacturer's specifications, including those set forth in the manufacturer's operating manuals or instructions, as well as all requirements of applicable law or of authorities having jurisdiction.

5.2 Customer will promptly notify L&H Airco of any unusual operating conditions, system malfunctions or building changes that may affect the Equipment or any Services.

5.3 Customer will provide L&H Airco with reasonable means of access to the Equipment and shall make any necessary provisions to reach the Equipment and peripheral devices. Customer will be solely responsible for any removal, replacement or refinishing of the building structure or finishes that may be required to gain access to such Equipment.

#### Article 6: Limitations of Maintenance or Service Obligations

6.1 L&H Airco will not be responsible for the maintenance, repair or replacement of, or Services necessitated by reason of: (a) non-maintainable, non-replaceable, or obsolete parts of the Equipment, including but not limited to ductwork, shell and tubes, heat exchangers, coils, unit cabinets, casings, refractory material, electrical wiring, water and pneumatic piping, structural supports, cooling tower fill, slats and basins, etc. unless otherwise specifically stated herein; or (b) negligence, abuse, misuse, improper or inadequate repairs or modifications, improper operation, lack of operator maintenance or skill, failure to comply with manufacturer's operating and environmental requirements, Acts of God, or other reasons beyond its control. L&H Airco assumes no responsibility for any service performed on any Equipment other than by L&H Airco or its agents.

6.2 L&H Airco shall not be responsible for loss, delay, injury or damage that may be caused by circumstances beyond its control, including but not restricted to acts or omissions by Customer or its employees or agents, Acts of God, war, civil commotion, acts of government, fire, theft, corrosion, flood, water damage, lightning, freeze-ups, strikes, lockouts, differences with workmen, riots, explosions, fuel, labor or materials.

6.3 L&H Airco is not responsible for repairs, replacements or services to Equipment due to corrosion, erosion, improper or inadequate water treatment by others, electrolytic action, chemical action or other reasons beyond its reasonable control.

6.4 L&H Airco shall not be responsible for the removal or reinstallation of replacement valves, dampers, waterflow and tamper switches required from pipes and duct work including any venting or draining systems.

RESOLUTION NO. 2011-67

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING  
CITY MANAGER TO EXECUTE CONTRACT FOR PURCHASE  
AND INSTALLATION OF ENERGY MANAGEMENT SYSTEM  
WITH SOLE SUPPLIER AND TO EXECUTE CUSTOMER  
SUPPORT AGREEMENT FOR MAINTENANCE OF CITY  
HEATING, VENTILATION, AND AIR CONDITIONING  
SYSTEMS AT MULTIPLE CITY FACILITIES

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WHEREAS, the heating, ventilation, and air conditioning (HVAC) controls system in City Hall was installed during the remodel project of 1996 and operational problems have been experienced since installation. Parts are no longer available for the existing Novar controls system, and limitations with the HVAC design and controls have created office and work spaces that are not properly nor efficiently heated or cooled. The existing controls system needs to be replaced; and

WHEREAS, other recently constructed and/or remodeled City buildings are individually and centrally controlled by a digitally-controlled energy management system (EMS) manufactured by Alerton Technologies, Inc., the only system that can be tied to the City's central EMS system and software; and

WHEREAS, staff recommends installing the Alerton EMS at City Hall for reasons including consistency of operations amongst multiple City facilities, staffs familiarity with parts and maintenance, and to leverage staffs previous training and operations experience; and

WHEREAS, a Customer Support Agreement (CSA) with L & H Airco, of Roseville, will cover the Lodi Police Facility (including San Joaquin County Court spaces), Fire Station No. 4, Lodi Multi-Modal Station, Library, and Civic Center (Carnegie Forum, City Hall, and Finance Department) and provide a discounted labor rate of 15 to 25 percent below standard rates, guaranteed faster emergency response times for on-site technicians, discounts on parts, technical support, and account management for the life of the contract; and

WHEREAS, Lodi Municipal Code Section 3.20.070 authorizes dispensing with bids for purchase of supplies, services, or equipment when it is in the best interest of the City to do so, and staff recommends that Council authorize the City Manager to execute a one-year CSA for maintenance of City HVAC systems at multiple City facilities, with options to renew, at an annual cost of \$14,255, and to execute contracts for the purchase and installation of the Alerton EMS controls system and related modifications to City Hall with the local area manufacturer's representative, L & H Airco, at the estimated cost of \$137,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a contract for the purchase and installation of an Energy Management System with the sole supplier, L & H Airco, of Roseville, California, in an amount not to exceed \$137,000; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a one-year Customer Support Agreement with options to renew with L & H Airco, of Roseville, California, for maintenance of City heating, ventilation, and air conditioning (HVAC) systems at multiple City facilities in the amount of \$14,255.

Dated: May 4, 2011

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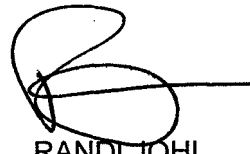
I hereby certify that Resolution No. 2011-67 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 4, 2011, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Katzakian, Mounce, Nakanishi,  
and Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL  
City Clerk